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**UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA**

FEDERAL TRADE COMMISSION,

Plaintiff,

V.

IVY CAPITAL, INC., *et al.*,

Defendants, and

CHERRYTREE HOLDINGS, LLC, *et al.*,

Relief Defendants.

Case No. 2:11-cv-00283-JCM -GWF

ORDER REGARDING RELEASE OF FROZEN FUNDS FOR LIVING EXPENSES

1 Upon consideration of the receiver's recommendations regarding living expenses and
2 related matters (Doc. #163) ("receiver's recommendations") and plaintiff's opposition to
3 receiver's recommendations regarding the release of frozen funds for living expenses (Doc.
4 #169), and for good cause shown,

5 **IT IS HEREBY ORDERED**, that the April 21, 2011 order affirming the receiver's
6 recommendations in its entirety is hereby AMENDED as set forth below;

7 **IT IS FURTHER ORDERED**, that section III (asset freeze) of the preliminary
8 injunction (Doc. #91) entered on March 25, 2011 in this matter is hereby amended to permit the
9 limited release of certain personal living expenses, as set forth below, to six individual
10 defendants – Kyle G. Kirschbaum, John H. Harrison, Steven E. Lyman, Christopher M. Zelig,
11 Steven R. Sonnenberg and James G. Hanchett – and three individual relief defendants – Kierston
12 Kirschbaum, Tracy Lyman and Melyna Harrison:

13 (1) No individual defendant or relief defendant shall be permitted to access receivership
14 defendants' funds to pay for their personal living expenses. Any receivership
15 defendants' funds already released to defendants shall be returned to the receiver
16 promptly. All personal living expenses to be released pursuant to this order shall be
17 paid from the particular defendant's and/or relief defendant's frozen personal
18 accounts, including, if necessary, any retirement, IRA, 401(k) or other personal
19 accounts. The amounts set forth in paragraph 3 below shall be reduced by the amount
20 of any funds already received from personal accounts pursuant to the April 21, 2011
21 order.

22 (2) The release of such living expenses shall be for a period of four months, beginning
23 April 21, 2011, with the final release of funds on or about July 21, 2011 to cover
24 expenses through August 21, 2011.

25 (3) The court has reviewed the proposed monthly budgets, submitted with the receiver's
26 recommendations, for the Kirschbaum, Harrison, Lyman, Sonnenberg, Hanchett and
27 Zelig households. Personal funds for these individuals shall be unfrozen in the

1 amounts necessary to cover reasonable monthly living expenses not to exceed the
2 following amounts:

3 a. Kyle and Kierston Kirschbaum:

- 4 i. Housing (including insurance and utilities): not to exceed \$3,892
5 ii. Children (diapers, formula, clothing and education): not to exceed
6 \$310
7 iii. Vehicles: costs associated with gas, maintenance and insurance for one
8 vehicle not to exceed \$581
9 iv. Food: not to exceed \$1,000
10 v. Insurance/Health Expenses: not to exceed \$1,543

11 TOTAL MONTHLY EXPENSES not to exceed \$7,326.00

12 b. John and Melyna Harrison:

- 13 i. Housing (including insurance and utilities): not to exceed \$2,230
14 ii. Children (diapers, formula, clothing and education): not to exceed
15 \$280
16 iii. Vehicles: costs associated with gas, maintenance and insurance for one
17 vehicle not to exceed \$425
18 iv. Food: not to exceed \$1,000
19 v. Insurance/Health Expenses: not to exceed \$1,593

20 TOTAL MONTHLY EXPENSES not to exceed \$5,528.00

21 c. Steven and Tracy Lyman:

- 22 i. Housing (including insurance and utilities): not to exceed \$4,375.55
23 ii. Children (diapers, formula, clothing and education): not to exceed
24 \$285
25 iii. Vehicles: costs associated with gas, maintenance and insurance for one
26 vehicle not to exceed \$490
27 iv. Food: not to exceed \$1,000

1 v. Insurance/Health Expenses: not to exceed \$1,949.37

2 TOTAL MONTHLY EXPENSES not to exceed \$8,099.92

3 d. Christopher Zelig:

4 i. Housing (including insurance and utilities): not to exceed \$3,230

5 ii. Vehicles: costs associated with payment, gas, maintenance and
6 insurance for one vehicle not to exceed \$1,260

7 iii. Food: not to exceed \$500

8 iv. Insurance/Health Expenses: not to exceed \$250

9 TOTAL MONTHLY EXPENSES not to exceed \$5,240.00

10 e. James Hanchett:

11 i. Housing (including insurance and utilities): not to exceed \$3,000

12 ii. Children (diapers, formula, clothing and education): not to exceed
13 \$1,100

14 iii. Vehicles: costs associated with gas, maintenance and insurance for one
15 vehicle not to exceed \$325

16 iv. Food: not to exceed \$800

17 v. Insurance/Health Expenses: not to exceed \$650

18 TOTAL MONTHLY EXPENSES not to exceed \$5,875

19 f. Steven Sonnenberg

20 i. Housing (including insurance and utilities): not to exceed \$3,067

21 ii. Children (diapers, formula, clothing and education): not to exceed
22 \$950

23 iii. Vehicles: costs associated with payment, gas, maintenance and
24 insurance for one vehicle not to exceed \$1,140.50

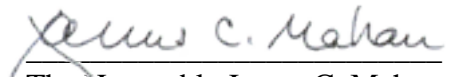
25 iv. Food: not to exceed \$934

26 v. Insurance/Health Expenses: not to exceed \$670

27 TOTAL MONTHLY EXPENSES not to exceed \$6,761.50

1 (4) The receiver shall provide to the Federal Trade Commission an accounting of any
2 funds already released pursuant to the April 21, 2011 order.
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4 **IT IS SO ORDERED:**

5 
6 The Honorable James C. Mahan
7 United States District Judge

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9 Dated: May 12, 2011
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Certificate of Service

I hereby certify that on May 4, 2011, I electronically filed the foregoing document with the Clerk of the Court using CM/ECF, which will send a notice of electronic filing to all counsel of record.

/s/ Emily Cope Burton
Emily Cope Burton